

## **PATTERNS OF PLAN AND NON PLAN EXPENDITURE IN TAMILNADU**

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### **ABSTRACT**

This paper analyses the patterns and examples of open use in Tamilnadu from various edge viz. Plan and non - plan, income and capital, improvement and non-advancement and administration - insightful use during the eleventh multiyear plan time of 2007–20012 and twelfth multiyear arrangement time of 2007–2012. The complete use has developed by around 12.0 percent every year during eleventh arrangement period and 17.4 percent during the eleventh arrangement. Examination recommends that the consumption on plan has expanded multiple times in 2011-12 more than 2002-03. Non-plan use has likewise developed generously by multiple times during a similar period. Consumption on capital record has quickened its development to practically twofold during the twelfth arrangement when contrasted with eleventh arrangement. This investigation turns out with an outcome which features the affectability of obligation reimbursement lately. 64.1 percent use was represented by improvement purposes during twelfth arrangement contrasted with just 45.6 percent during tenth arrangement. This investigation additionally proposed the need and devotion of the present government to social and financial improvement plan. Subsequently, the state fund is doing great in regard of use the expenditure management.

**KEY WORDS:** Plan Expenditure, Non- Plan Expenditure, Capital Expenditure.

### **INTRODUCTION**

This study tests the effect the four noteworthy Development Expenditure leaders of the Government, in particular Agriculture, Education, Health and Social Security plans and whether they have the ideal impact in expanding per capita salaries and lessening destitution in the nation. This investigation makes deductions that can be received in future full scale arrangements, particularly choosing the budgetary degrees of the different heads. Additionally, it brings up how stopping of 'spilled' or bungled assets can prompt exceptional advantages for the nation.

Expenditure example is a viable device by which one can without much of a stretch survey the circumstance of the state funds. The expenditure example of the administration is a powerful device to control expansion or emptying in an economy. Open expenditure is a significant instrument of the financial arrangement of a state or a country. The size and example of the open spending has an incredible importance in the development procedure and in decrease of monetary aberrations. This paper studies the patterns and examples of expenditure from various edges viz. plan and non-plan, revenue and capital, development and non-development and administration shrewd expenditure.

## **METHODOLOGY**

This paper analyses the pattern of open expenditure in Tamilnadu with the assistance of information identifying with the eleventh plan (2007–2012) and twelfth plan (2012–2017) and expands it through further order of expenditures as per types. Expenditure might be ordered plan and non-plan, revenue and capital, development and non-development, pay and non-compensation and administration astute expenditure (general services, social services and economic services).

## **PLAN AND NON-PLAN EXPENDITURE**

The classification of expenditure into Plan and Non-Plan, despite the fact that not revered in the Constitution, has developed with the commencement of planning process. An expenditure acquired for some distinct period is probably going to be plan expenditure and the repetitive expenditure is probably going to be non-plan expenditure. Plan expenditure is spent on beneficial resource creation through midway supported projects and lead plans, while "non-plan" eludes to all other expenditure, Non plan expenditure of the absolute expenditure was around 84.6 percent in 2007-08 which diminished to 94.3 percent in 2016-17. Thus, commitment of the plan expenditure has expanded throughout the years from 15.4 percent to 48.3 percent during a similar period. Normal portion of non-plan expenditure in all out expenditure during tenth plan was around 89 percent which declined to 72 percent in the eleventh plan, while the portion of plan expenditure has expanded from 20 percent to 38 percent during a similar time. Table 1 introduces the portion of plan and non-plan expenditure design from 2007-08 to 2016-17.

**TABLE-1 PATTERN OF PLAN AND NON-PLAN EXPENDITURE IN TAMILNADU**

	<b>Total Expenditure</b>	<b>Non-Plan</b>	<b>Plan</b>
<b>Eleventh Plan (2007-12)</b>			
2007-08	100.0	94.3	25.4
2008-09	100.0	87.6	12.4
2009-10	100.0	92.7	17.3
2010-11	100.0	88.3	21.7
2011-12	100.0	75.4	34.6
<b>Average (2007-12)</b>	<b>100.0</b>	<b>89.7</b>	<b>20.3</b>
<b>Twelfth Plan (2012-17)</b>			
2012-13	100.0	75.3	43.7
2013-14	100.0	72.8	47.3
2014-15	100.0	72.2	37.8
2015-16	100.0	68.8	41.2
2016-17	100.0	61.8	48.3
<b>Average (2012-17)</b>	<b>100.0</b>	<b>72.2</b>	<b>37.8</b>

Source: Budget Documents, Department of Finance, Government of Tamilnadu- 2018.

**TABLE-2 TREND OF PLAN AND NON-PLAN EXPENDITURE IN TAMILNADU**

	<b>Total Expenditure</b>	<b>Non Plan</b>	<b>Plan</b>	<b>State Plan</b>	<b>Centrally Sponsored Scheme</b>	<b>Central Plan Scheme</b>
<b>Eleventh Plan (2007-2012)</b>						
2007-08	15505.5	13124.2	2381.4	2103.1	7.7	270.6
2008-09	22481.9	19704.2	2777.7	2487.0	0.0	290.7
2009-10	20058.0	16582.1	3475.9	3124.3	1.7	349.9
2010-11	22568.5	17669.8	4898.7	4379.7	5.6	513.4
2011-12	27136.5	17739.3	9397.2	8459.2	19.2	918.8
<b>GAGR (%)</b>	<b>11.9</b>	<b>5.1</b>	<b>39.3</b>	<b>39.8</b>	<b>614.8</b>	<b>35.2</b>
<b>Twelfth Plan (2012-2017)</b>						
2012-13	31571.2	20625.5	10945.7	9700.3	23.0	1222.5
2013-14	37181.2	23366.7	13814.5	12335.9	102.9	1375.7
2014-15	42796.0	26601.9	16194.2	13998.0	140.0	2056.1
2015-16	50704.5	29794.0	20910.5	18426.5	126.3	2357.8
2016-17	60181.4	37173.6	23007.9	20321.8	108.2	2577.9
<b>CAGR (%)</b>	<b>17.04</b>	<b>15.03</b>	<b>20.9</b>	<b>20.7</b>	<b>39.2</b>	<b>22.5</b>

Source: Budget Documents, Department of Finance, Government of Tamilnadu- 2018.

Table 2 explores the trend of non-plan and plan expenditure. Plan expenditure is further classified into state plan, One can likewise observe the development pattern of plan versus non-plan expenditure during the eleventh and twelfth five year plan time frame. There was just about

12 percent development in complete expenditure during the tenth plan time frame. In the event that one notification the development determinants of the expenditure overall, it creates the impression that solitary 5 percent development was represented by non plan expenditure and a high development of 39.3 percent in the plan expenditure during 2007-12. There was a slight increment in non plan expenditure from Rs. 13124 crore to Rs. 17739 crore in a similar period. As is seen, the non-plan expenditure demonstrated the most noteworthy increment in year 2003-04 (Rs. 19704 crore) which was much higher than the Rs. 17739 crore of the year 2006-07. Plan expenditure had expanded significantly from Rs. 2381 crore in 2002-03 to Rs. 9397 crore in 2006 - 07. The most noteworthy increment was recorded in the state plan expenditure which bounced from Rs. 2103 crore to Rs. 8459 center during a similar period. Plan expenditure nearly multiplied in a solitary year of 2006-07. This higher increment in state plan expenditure brought about lift to development in the general development in expenditure of Bihar. Table 2 underneath presents the patterns of expenditure under state plan, centrally sponsored schemes and central plan schemes.

**TABLE -3 PATTERN OF REVENUE AND CAPITAL EXPENDITURE IN TAMILNADU**

	<b>Total Expenditure</b>	<b>Revenue Accounts</b>	<b>Capital Accounts</b>	<b>Revenue Expenditure</b>	<b>Capital Expenditure</b>
<b>Eleventh Plan (2007-2012)</b>					
2007-08	15505.5	12255.1	3250.4	79.0	21.0
2008-09	22481.9	12710.8	9771.1	56.5	43.5
2009-10	20058.0	14638.4	5419.6	73.0	27.0
2010-11	22568.5	17756.0	4812.5	78.7	21.3
2011-12	27136.5	20585.0	6551.4	75.9	24.1
<b>CAGR (%)</b>	<b>11.9</b>	<b>14.7</b>	<b>7.2</b>	<b>72.6</b>	<b>27.4</b>
<b>Twelfth Plan (2012-17)</b>					
2012-13	31571.2	23562.9	8008.3	74.6	25.4
2013-14	37181.3	28511.6	8669.7	76.7	23.3
2014-15	42796.0	32584.2	10211.9	76.1	23.9
2015-16	50704.5	38215.9	12488.6	75.4	24.6
2016-17	60181.4	46499.5	13681.6	77.4	22.6
<b>CAGR (%)</b>	<b>17.3</b>	<b>18.0</b>	<b>15.3</b>	<b>76.0</b>	<b>24.0</b>

**Source: Budget Documents, Department of Finance, Government of Tamilnadu.**

Table 3 reveals the revenue and capital expenditure trend and pattern. As discussed about before, development of all out expenditure during the twelfth plan was more than the eleventh plan time frame. The determinant of the development during eleventh plan was revenue expenditure which adds to around 73 percent every year. The yearly pace of development during the tenth plan of revenue expenditure was 14.7 percent. The capital expenditure was developing

with a large portion of a pace of revenue expenditure during this period. The portion of capital expenditure to add up to expenditure during tenth plan period was just 27 percent.

## FINDINGS

- Non Development Expenditure, then again has expanded both in total terms as likewise as far as extent of GDP. At the inside it has expanded from Rs. 9867 crores (6.9% of GDP) in 2007-08 consistently to Rs. 213580 crores (9.8% of GDP) in 2011-12.
- At the state development expenditure expanded from Rs . 15961 crores in 2007-08 to Rs.208333 crores in 2011-2012 enrolling anyway a decrease in GDP terms from 11.1 % to 9.6 % during a similar period Non development Expenditure has expanded from Rs. 4289 crores (3.0% of GDP) in 2007-2008 to Rs. 125484 crores (5.8% of GDP) in 2011-12. (BE) with no variances in the mediating years.
- Plan expenditure at the Center while expanding in supreme terms from Rs. 28,401 crores to Rs. 88,100 crores , has demonstrated a decline seen as an extent of all out expenditure, from 5.8 percent in 2012-13 to 4.0 percent in 2016-17 (BE).
- At the State level, it expanded in supreme terms from Rs. 23012 crores to Rs. 89074 crores yet , as a level of its all out expenditure, diminished from 4.7 percent to 4.1 percent in the period structure 2012-13 to 2016-17 (BE).
- Non Plan Expenditure, at the Center expanded from Rs. 64505 crores in 2012-13 to Rs. 250387 crores in 2016-2017 however as an extent of all out expenditure, recorded a diminishing from 13.17 percent to 11.5 percent during a similar period. At the state levels, be that as it may, non-plan expenditure expanded both in outright numbers as additionally as an extent of its complete expenditure during a similar period for example from Rs. 53798 crores (11.1 percent) to Rs. 261693 crores (12 percent) .
- As for the general portions of Center and States in Plan Expenditure one can see that, while the portion of focus expanded from 36.02 percent in the First Five Year Plan to 56.93 percent in the Ninth Plan expenses, the portion of states descended from 63.52 percent to 43.07 percent during a similar period.

## CONCLUSION

This paper analyzed the expenditure design from a few edges. Over all expenditure has developed by around 12 percent every year during the tenth plan time frame including 5.4 rate focuses during the eleventh plan time frame. This development has been continued by the state

government, especially after 2005. The high development of 15.2 percent represented all out expenditure in Bihar during an all out time of tenth and eleventh five year plans Several prominent changes have been attempted in every aspect of open fund, including immediate and circuitous expenses, open expenditure, and open obligation the executives which are highlighted in this paper.

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